

LAW OFFICES OF
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May 14, 2007

RECORDATION NO. 26963 FILED

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

MAY 14 '07 -3 11 PM

Dear Secretary Williams:

SURFACE TRANSPORTATION BOARD

I have enclosed for filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of March 26, 2007. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

GATX Rail Locomotive Group, L.L.C.
Four Embarcadero Center, Suite 2200,
San Francisco, CA 94111

Lessee:

Escanaba & Lake Superior Railroad Co.
1 Larkin Plaza
Wells, MI 49894

A description of the equipment covered by the Memorandum of Lease Agreement consists of two SD40-2 locomotives numbered GSCX 7349 and EMDX 6306.

Honorable Vernon A. Williams

May 14, 2007

Page 2

A fee of \$35.00 is enclosed. Please return one copy to:

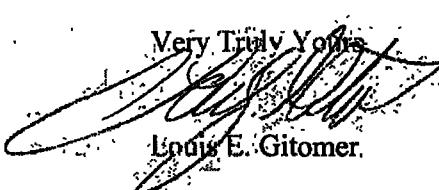
Louis E. Gitomer

600 Baltimore Avenue, Suite 301

Towson, MD 21204

A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between GATX Rail Locomotive Group, L.L.C., Four Embarcadero Center, Suite 2200, San Francisco, CA 94111, and Escanaba & Lake Superior Railroad Co., 1 Earkin Plaza, Wells, MI 49894, covering two SD40-2 locomotives numbered GSCX 7349 and EMDX 6306.

Very Truly Yours,


Louis E. Gitomer

Enclosure

RECORDATION NO.

26963

FILED

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of March 26, 2007

between

GATX RAIL LOCOMOTIVE GROUP, LLC,

as Lessor,

ESCANABA & LAKE SUPERIOR RAILROAD CO.

as Lessee,

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of March 26, 2007, between GATX RAIL LOCOMOTIVE GROUP, L.L.C., formerly known as Locomotive Leasing Partners, L.L.C. ("Lessor"), Four Embarcadero Center, Suite 2200, San Francisco, CA 94111, and ESCANABA & LAKE SUPERIOR RAILROAD CO. ("Lessee"), 1 Larkin Plaza, Wells, MI 49894, with reference to the following:

1. Pursuant to that certain Locomotive Lease Agreement dated June 24, 2003, between Lessor and Lessee (the "Lease Agreement"), Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, those certain locomotives described on Exhibit A attached hereto (the "Units").
2. The Lease Agreement is effective as of June 24, 2003 and as of such date the Units are subject to all terms and conditions of the Lease Agreement.
3. In consideration for the rights granted to Lessee under the Lease Agreement and the waiver of certain obligations of Lessee thereunder, the sufficiency of which Lessee hereby acknowledges, Lessee hereby confirms and grants Lessor a first priority security interest in the Units.
4. This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum
of Lease Agreement to be executed as of the date first above written.

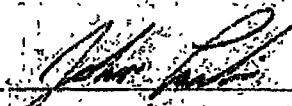
GATX RAIL LOCOMOTIVE GROUP, L.L.C.,
as Lessor

By: 

Name: Eileen Raphael

Title: Vice President

ESCANABA & LAKE SUPERIOR RAILROAD CO.,
as Lessee

By: 

Name: John Lakin

Title: President

EXHIBIT A
TO MEMORANDUM OF LEASE AGREEMENT

DESCRIPTION OF UNITS AND REPORTING MARKS

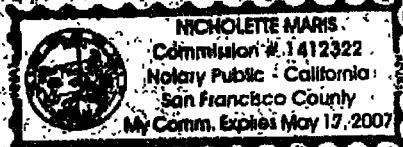
Two SD40-2 locomotives with the following road numbers: GSCX 7349 and EMDX 6306.

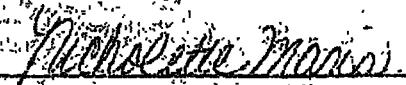
State of California

County of San Francisco

On May 14, 2007 before me, Nicholette Maris, Notary Public, personally appeared Eileen Raphael, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity; and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal:




Nicholette Maris
Notary Public

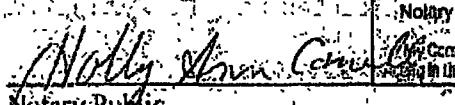
STATE OF Michigan

) ss.

COUNTY OF Otsego

On this 7th day of May, 2007, before me, Holly A. Canull, the undersigned Notary Public, personally appeared John L. Kow, personally known to me to be the person who executed the within instrument as President on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

[Seal]


Holly A. Canull
Notary Public

HOLLY ANN CANULL
Notary Public, State of Michigan
County of Otsego
My Commission Expires Dec 14, 2013
In the County of

My commission expires:

December 14, 2013